vol. 551

No. 8036

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, COLONY OF SOUTHERN RHODESIA and UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Guarantee Agreement—*Kariba Project* (with related letter and annexed Loan Regulations No. 4). Signed at Salisbury, on 30 December 1963

Official text: English.

Registered by the International Bank for Reconstruction and Development on 10 January 1966.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT, COLONIE DE LA RHODÉSIE DU SUD et ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD

Contrat de garantie — *Projet de Kariba* (avec lettre y relative et, en annexe, le Règlement nº 4 sur les emprunts). Signé à Salisbury, le 30 décembre 1963

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 10 janvier 1966.

No. 8036. GUARANTEE AGREEMENT[1] (*KARIBA PROJECT*) BETWEEN THE COLONY OF SOUTHERN RHODESIA, THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND. SIGNED AT SALISBURY, ON 30 DECEMBER 1963

AGREEMENT, dated December 30, 1963, between the COLONY OF SOUTHERN RHODESIA (hereinafter called the Colony) of the first part, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) of the second part, and the UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (hereinafter called the United Kingdom) of the third part.

WHEREAS (A) Pursuant to a Loan Agreement dated June 21, 1956 between the Bank and the Federal Power Board[2] (hereinafter called the Board), the Bank made to the Board a loan in various currencies in an aggregate principal amount equivalent to eighty million dollars ($80,000,000), on the terms and conditions set forth in the Loan Agreement, including provisions for the execution and delivery of bonds;

(B) By an Agreement dated June 21, 1956 between the Federation of Rhodesia and Nyasaland (hereinafter called the Federation) and the Bank[3] the Federation agreed to guarantee the Loan as therein provided;

(C) By an Agreement dated June 21, 1956 between the United Kingdom and the Bank[4] the United Kingdom agreed to guarantee the Loan as therein provided;

(D) It is planned to dissolve the Federation with the consequential distribution of assets and liabilities of the Federation;

(E) The Central African Power Corporation (hereinafter called the Corporation) has been established by the Federation of Rhodesia and Nyasaland (Dissolution) Order in Council 1963 of the United Kingdom to take over the assets and liabilities of the Board;

(F) By an Agreement of even date herewith between the Bank, the Corporation and the United Kingdom[5] (which agreement, including the schedule

[1] Came into force as of the time of the dissolution of the Federation of Rhodesia and Nyasaland, which took place immediately before 1 January 1964, in accordance with article V.
[2] United Nations, *Treaty Series*, Vol. 285, p. 326.
[3] United Nations, *Treaty Series*, Vol. 285, p. 355.
[4] United Nations, *Treaty Series*, Vol. 285, p. 317.
[5] See p. 76 of this volume.

therein referred to, is hereinafter called the Loan Assumption Agreement) the Corporation has agreed to assume the obligations of the Board under the Loan Agreement;

(G) The Territory of Northern Rhodesia, in consideration of the Bank's entering into the Loan Assumption Agreement with the Corporation and this Agreement with the Colony, has agreed to guarantee the Loan as provided in the Northern Rhodesia Guarantee Agreement;[1]

(H) The Colony, in consideration of the Bank's entering into the Loan Assumption Agreement with the Corporation and a Guarantee Agreement with the Territory of Northern Rhodesia has agreed to guarantee the Loan as hereinafter provided; and

(I) The United Kingdom has concurred in the agreements referred to in Recitals (F), (G) and (H) above;

NOW THEREFORE the parties hereto hereby agree as follows:

Article I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1955,[2] subject, however, to the qualifications and modifications thereof set forth in Schedule 3 to the Loan Agreement and to the further qualifications and modifications thereof set forth in the Schedule to the Loan Assumption Agreement (said Loan Regulations No. 4 as so qualified and modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Colony hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of one-half of the principal of, and one-half of the interest and other charges on, the Loan, one-half of the principal of and one-half of the interest on the Bonds and one-half of the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, all as set forth in the Loan Agreement, in the Loan Assumption Agreement and in the Bonds. For the purposes of the guarantee in this Section 2.01, one-half of any such payments made by the Corporation shall be deemed to be made in respect of the part of such payments guaranteed by the Colony.

[1] See p. 120 of this volume.
[2] See p. 116 of this volume.